

Interim Consolidated Statement of Financial Position

30 September 2020 (Reviewed) All figures in US\$ Million

	Reviewed	Audited
	30 September 2020	31 December 2019
ASSETS		
Liquid funds	1,666	1,874
Trading securities	460	507
Placements with banks and other financial institutions	2,239	2,051
Securities bought under repurchase agreements	1,528	1,398
Non-trading investments	5,998	5,836
Loans and advances	14,895	16,452
Other assets	2,533	1,767
Premises and equipment	190	183
TOTAL ASSETS	29,509	30,068
LIABILITIES		
Deposits from customers	16,449	16,666
Deposits from banks	3,536	3,897
Certificates of deposit	378	399
Securities sold under repurchase agreements	1,122	1,008
Taxation	98	63
Other liabilities	2,111	1,466
Borrowings	1,788	2,080
Total liabilities	25,482	25,579
EQUITY		
Share capital	3,110	3,110
Treasury shares	(6)	(6)
Statutory reserve	520	520
Retained earnings	997	1,051
Other reserves	(946)	(644)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		
	3,675	4,031
Non-controlling interests	352	458
Total equity	4,027	4,489
TOTAL LIABILITIES AND EQUITY	29,509	30,068

Interim Condensed Consolidated Statement of Cash Flows

Nine-month period ended 30 September 2020 (Reviewed) All figures in US\$ Million

	Reviewed	
	Nine months ended 30 September	
	2020	2019
OPERATING ACTIVITIES		
Net cash from (used in) operating activities	305	(231)
INVESTING ACTIVITIES		
Net cash used in investing activities	(124)	(122)
FINANCING ACTIVITIES		
Net cash (used in) from financing activities	(287)	212
Net change in cash and cash equivalents	(106)	(141)
Effect of exchange rate changes on cash and cash equivalents	(24)	1
Cash and cash equivalents at beginning of the period	1,657	1,341
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD*	1,527	1,201

* Cash and cash equivalents comprises of liquid funds excluding treasury and other eligible bills with original maturities of more than three months amounting to US\$ 139 million (30 September 2019: US\$ 254 million).

Interim Consolidated Statement of Profit or Loss

Nine-month period ended 30 September 2020 (Reviewed) All figures in US\$ Million

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
OPERATING INCOME				
Interest and similar income	275	392	958	1,137
Interest and similar expense	(145)	(250)	(576)	(716)
Net interest income	130	142	382	421
Other operating income	58	54	46	212
Total operating income	188	196	428	633
Credit loss expense	(60)	(25)	(234)	(46)
NET OPERATING INCOME AFTER CREDIT LOSS EXPENSE	128	171	194	587
OPERATING EXPENSES				
Staff	66	84	218	254
Premises and equipment	11	10	32	30
Other	36	33	110	100
Total operating expenses	113	127	360	384
PROFIT (LOSS) BEFORE TAXATION	15	44	(166)	203
Taxation (charge) reversal on foreign operations	(2)	15	122	(9)
PROFIT (LOSS) FOR THE PERIOD	13	59	(44)	194
Profit attributable to non-controlling interests	(2)	(10)	(12)	(33)
PROFIT (LOSS) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	11	49	(56)	161
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (EXPRESSED IN US\$)	0.00	0.02	(0.02)	0.05

Interim Consolidated Statement of Comprehensive Income

Nine-month period ended 30 September 2020 (Reviewed) All figures in US\$ Million

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
PROFIT (LOSS) FOR THE PERIOD	13	59	(44)	194
Other comprehensive income (loss):				
<i>Other comprehensive income (loss) that will be reclassified (or recycled) to profit or loss in subsequent periods:</i>				
<i>Foreign currency translation:</i>				
Unrealised loss on exchange translation in foreign subsidiaries	(26)	(84)	(301)	(62)
Debt instruments at FVOCI:				
Net change in fair value during the period	42	19	(113)	48
	16	(65)	(414)	(14)
<i>Other comprehensive income that will not be reclassified (or recycled) to profit or loss in subsequent periods:</i>				
Net change in pension fund reserve	-	-	-	-
Net change in fair value of equity securities during the period	-	-	-	-
	-	-	-	-
Other comprehensive income (loss) for the period	16	(65)	(414)	(14)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	29	(6)	(458)	180
Attributable to:				
Shareholders of the parent	38	17	(358)	176
Non-controlling interests	(9)	(23)	(100)	4
	29	(6)	(458)	180

Interim Consolidated Statement of Changes in Equity

Nine-month period ended 30 September 2020 (Reviewed) All figures in US\$ Million

	Equity attributable to the shareholders of the parent									Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	Other reserves				Total		
					General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			
At 31 December 2019	3,110	(6)	520	1,051	100	(754)	42	(32)	4,031	458	4,489
(Loss) profit for the period	-	-	-	(56)	-	-	-	-	(56)	12	(44)
Other comprehensive loss for the period	-	-	-	-	-	(189)	(113)	-	(302)	(112)	(414)
Total comprehensive loss for the period	-	-	-	(56)	-	(189)	(113)	-	(358)	(100)	(458)
Other equity movements in subsidiaries	-	-	-	2	-	-	-	-	2	(6)	(4)
At 30 September 2020 (reviewed)	3,110	(6)	520	997	100	(943)	(71)	(32)	3,675	352	4,027
At 31 December 2018	3,110	(4)	501	966	100	(744)	(37)	(30)	3,862	454	4,316
Profit for the period	-	-	-	161	-	-	-	-	161	33	194
Other comprehensive (loss) income for the period	-	-	-	-	-	(33)	48	-	15	(29)	(14)
Total comprehensive income (loss) for the period	-	-	-	161	-	(33)	48	-	176	4	180
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares - net	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Other equity movements in subsidiaries	-	-	-	1	-	-	-	-	1	(14)	(13)
At 30 September 2019 (reviewed)	3,110	(5)	501	1,035	100	(777)	11	(30)	3,945	444	4,389

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 481 million (31 December 2019: US\$ 479 million).

The above interim consolidated statement of financial position, interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows, and interim consolidated statement of changes in equity have been extracted from the Interim Consolidated Financial Statements of Arab Banking Corporation (B.S.C) for the period ended 30th September 2020, which were approved by the Board of Directors and on which an unqualified review conclusion opinion was issued by Ernst & Young, Kingdom of Bahrain, on 12th November 2020.